IN THE HIGH COURT OF GUJARAT AT AHMEDABAD

WEALTH TAX REFERENCE No 56 of 1986

For Approval and Signature:

Hon'ble MR.JUSTICE A.R.DAVE
and
Hon'ble MR.JUSTICE D.A.MEHTA

==========

1. Whether Reporters of Local Papers may be allowed to see the judgements? : NO

2. To be referred to the Reporter or not? : NO

3. Whether Their Lordships wish to see the fair copy of the judgement? : NO

4. Whether this case involves a substantial question of law as to the interpretation of the Constitution of India, 1950 of any Order made thereunder? : NO

5. Whether it is to be circulated to the Civil Judge? : NO

@

COMMISSIONER OF WEALTH-TAX

Versus

SUHASBHAI VADILAL MEHTA

---

Appearance:

MR BB Naik for MR MANISH R BHATT for Petitioner No. 1

MR JP SHAH for Respondent No. 1

---

CORAM : MR.JUSTICE A.R.DAVE
and
MR.JUSTICE D.A.MEHTA

Date of decision: 20/07/2001

ORAL JUDGEMENT

(Per : MR.JUSTICE A.R.DAVE)

At the instance of the revenue, the following 4 questions have been referred to this court for its opinion by the Income Tax Appellate Tribunal, Ahmedbad Bench 'A', under the provisions of sec. 27(1) of the Wealth-tax Act, 1957 :

1. Whether, on the facts and in the circumstances of the case reversionary interest in Suhasbhai Vadilal Family Trust No. 1 was rightly brought to Wealth-tax by the Wealth-tax Officer in Assessment years 1968-69 to 1973-74?

2. Whether, on the facts and in the circumstances of the case the Tribunal was right in law in holding that there was no reversionary interest of the assessee in the said Suhasbhai Vadilal Family Trust No. 1 for the years under reference?

3. Whether, the finding of the Tribunal in deleting the additions in respect of reversionary interest of the assessee in Suhasbhai Vadilal Family Trust No. 1 for the years under reference is correct in law in view of the provisions under the Deed of Settlement dated 16.3.1959?

4. Whether shares of private limited companies should be valued on the basis of Rule 1D of the Wealth-tax Rules, 1957 as interpreted by the Gujarat High Court in the case of Ashok K. Parikh (129 ITR 46) for assessment years under reference?

2. We have heard learned advocate Shri B.B. Naik for the revenue whereas learned advocate Shri J.P. Shah has appeared for the respondent.

3. As regards the first question, our attention has been drawn by the learned advocates to the fact that a similar question of law had been raised in W.T.R. No. 29 of 1980. The said reference application has been decided during the pendency of the present reference and looking to the law laid down by tis court in the case of CWTv. Suhasbhai Vadilal, 206 ITR 316 we answer the first question in the negative i.e. in favour of the assessee and against the revenue.

4. So far as the second and third questions are concerned, they are answered in the affirmative i.e. in favour of the assessee and against the revenue.

5. So far as the fourth question is concerned, the said question has also been answered during the pendency of this reference in the case of Bharat Hari Singhania & Ors. v. CWT & Ors., 207 ITR 1. In view of the judgment delivered in the said case, we answer the question in the negative i.e. against the assessee and in favour of the revenue.

The reference stands disposed of accordingly with no order as to costs.

(A.R. Dave, J.)

(D.A. Mehta, J.)

(hn)